

## More on Firestone radials

Testimony has ended on National Highway Traffic Safety Administration's (NHTSA) hearing on the agency's initial determination that a safety defect exists in the Firestone 500 Steel Belted Radial tires (and identical tires made by Firestone Tire and Rubber Co. under brand names "Grappler Radial" 8000 series sold by Montgomery Ward and "Super Shell Steel Radials" sold by Shell Oil Co. dealers). The next step in the recall process is for NHTSA to analyze the data and information presented at the hearing—and other information as well—and then decide what to do. If the final decision upholds the initial safety defect finding, NHTSA can order Firestone to conduct a recall of the tires. NHTSA says this process may take from 4 to 6 weeks.

As we have suggested in an earlier issue of CONSUMER NEWS, if you are having problems with the tires, call NHTSA's toll-free hotline at 800-424-9393; Washington, DC metropolitan area residents call 426-0123.

### S-p-r-e-a-d-i-n-g the word

Proceedings from last year's National Warranty Update Conference have now been printed. The conference, sponsored by the Chamber of Commerce of the US, Consumer Federation of America (CFA) and Office of Consumer Affairs, brought together consumer, industry and government representatives to review the effects of 1975 legislation on business and consumers that, among other things, established Federal minimum disclosure and content standards for consumer product warranties. The conference also explored the future of the Warranty Act.

A complete transcription of the conference proceedings may be ordered from Consumer Federation of America/Warranty Transcripts, Suite 901, 1012 14th St., NW, Washington, DC 20005. It costs \$18 for CFA member groups and \$30 for all others.

The Urban League is sponsoring a forum on low-income consumerism Oct. 11-13 at the Rochester Americana Hotel in Rochester, NY. Conference will focus attention on the abuses suffered by the poor and minority consumer in such areas as housing, consumer fraud, credit, redlining and health services. Conference costs \$40, which includes 3 major meals but no hotel accommodations. For more information write or call Beverly Jackson, Consumer Affairs Director, Urban League, 50 W. Main St., Rochester, NY 14614; telephone 716-325-6530 ext. 24.

# consumer news

DEPARTMENT OF HEALTH, EDUCATION & WELFARE  
Office of Consumer Affairs

Vol. 8, No. 16, Aug. 15, 1978

## Truth in lending

Since 1968 when the Truth in Lending Act was signed into law by President Johnson, borrowers have been able to comparison shop for loans because creditors are now required to disclose the cost of credit in a uniform manner.

The Act, which some have called the most important Federal consumer protection legislation in the credit area in recent years, has been in force for 10 years—enough time to measure its effect on the consumer.

The Act has been amended 4 times. The first amendment restricted the issuance of unsolicited credit cards in 1970. In 1974, the second amendment was passed to limit creditor liability. The third amendment, passed in 1976, allowed retailers to offer discounts for cash purchases for a 3-year trial period, but banned surcharges for the use of credit cards until 1979. In 1976, the fourth amendment was passed to extend the Act to apply to lease contracts.

A fifth amendment is now under consideration in Congress. On May 10 the Senate passed S 2802, the Truth in Lending Simplification Act. The bill is designed to make compliance with the Act easier, to enlarge administrative enforcement powers, and to reduce the number of required disclosures.

Among the provisions of the bill seen as favorable to consumers are:

- **Federal Reserve System** will issue model forms that would make comparison shopping easier for consumers and make compliance with the Act easier for creditors.

- **Federal Trade Commission** would be given power to seek restraining orders and civil penalties for knowing violations of the Act—thus strengthening administrative enforcement of the Act.

- Protection of the Act would be extended to mobile home purchases.

The provisions of the Act seen as disadvantageous to the consumer are:

- The number of required disclosures is reduced. For example, consumers will be told only the "amount financed" without the creditor having to itemize the "cash price," "down payment," etc.

- The civil liability of a creditor is limited to certain violations of the Act. Although this is intended to eliminate purely technical violations of the Act, it also eliminates liability for failure to disclose or provide a misleading disclosure of terms such as late charges and total sale price. In addition, this provision protects the assignee of credit contracts from liability.

The House Banking Consumer Affairs Subcommittee will hold informational hearings on the Truth in Lending Simplification Act Sept. 6-8 beginning at 9:30 a.m. in Room 2129 Rayburn Office Building, Washington, DC. For more information write or call the Consumer Affairs Subcommittee, Room 201, Annex 1, Washington, DC 20515; telephone 202-225-9181.